GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2598
ANSWERED ON:02.08.2016
Consumption of Urea
Chudasama Shri Rajeshbhai Naranbhai

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) the details of annual consumption and annual growth rate of consumption of urea, DAP and complex fertilizers, State-wise during the last three years;

(b) whether India is self-sufficient in the production of urea, DAP and complex fertilizers and if not, the steps taken in this regard;

(c) the annual production, consumption and import of urea, DAP and complex fertilizers during the last three years; and

(d) the average cost of import of urea, DAP and complex fertilizers during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAY (SHRI MANSUKH L. MANDAVIYA)

(a): The details are annexed as Annexure A, B & C.
(b): There is a gap between demand and indigenous production of Urea, DAP and complex fertilizers and the gap is met through imports. In order to reduce the import dependence gradually, Department has initiated various steps to enhance the domestic production & facilitate fresh investment in urea sector to make India self-sufficient.

Department of Fertilizers had announced New Investment Policy(NIP) -2012 on 02nd January, 2013 and its amendment thereof on 07th October,2014 to facilitate fresh investment in Urea sector. At present, there are six proposals in the Department of Fertilizers for setting up of Greenfield/Brownfield projects.

The Government has announced New Urea Policy -2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to reduce the subsidy burden on the Government. Similarly, steps have been taken for revival of closed plants of FCIL and HFCL namely Gorakhpur, Barauni, Sindri, Talcher and Ramagundam. Due to the above mentioned measures in year 2015-16, highest ever urea production of 244.75 LMT was achieved, about 18.90 LMT more than the production of urea in year 2014-15.

Further, the Government is implementing Nutrient Based Subsidy (NBS) Scheme w.e.f. 01.04.2010. Under the said, scheme, a fixed amount of subsidy is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending upon its Nutrient content. The P&K fertilizers are decontrolled and the Maximum Retail Price (MRP) is fixed by the fertilizers companies as per market dynamics. The Government does not interfere in manufacturing decision of the fertilizer companies.

(c): The annual production, consumption and import of urea, DAP & complex fertilizers during the last three years are as given below: -
Urea
<Figures in LMT>
Year Production Consumption(Sales) Import of Urea(including OMIFCO)
2013-14 227.15 304.54 70.81
2014-15 225.86 308.74 87.49
2015-16 244.75 319.68 84.71

DAP
<Figures in LMT>
Year Production Consumption(Sales) Import of DAP
2013-14 36.11 69.03 33.74
2014-15 34.44 75.58 39.54
2015-16 38.19 97.48 60.39

Complex Fert.
<Figures in LMT>
Year Production Consumption(Sales) Import of DAP
2013-14 74.83 75.15 3.58

2014-15 82.74 85.98 2.85
2015-16 86.85 92.68 6.29

(d): The year-wise Weighted Average price of urea imported during the last three years is as under:-
Urea
<Figures in LMT>
Year Weighted Average C&F price for import from OMIFCO (US $ per MT) Weighted Average C&F price On Government account through STEs (US $ per MT)
2013-14 172.41 322.66
2014-15 179.66 303.94
2015-16 145.83 279.02

Import of fertilizers (other than Urea) is free, commonly known as under Open General Licence (OGL). Various companies import these fertilizers as per their commercial judgement. Government does not maintain the value of these imports.

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